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**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

August 29, 2008

VIA OVER NIGHT MAIL AND ELECTRONIC FILING

Gloria Geiger
Acting Executive Secretary
Public Service Commission
State Capital
Bismarck, ND 58505-0480

RE: Otter Tail Power Company's Annual Filing of Renewable Resource
Cost Recovery Rider and 2009 Cost Recovery Factor
NDPSC Case No. PU-08-_____

Dear Ms. Geiger:

Please find enclosed for filing Application (Non-Public Version) of Otter Tail Corporation d/b/a/ Otter Tail Power Company ("Otter Tail") for approval of the annual Renewable Resource Cost Recovery Rider ("Renewable Resource Rider" or "Rider") and approval of the 2009 Cost Recovery Factor. Otter Tail is providing a Public version of the Application from which trade secret information has been redacted. A Trade Secret version accompanies the Application for Trade Secret Protection.

The proposed 2009 Renewable Resource Adjustment factor in the Renewable Resource Rider is based on the costs of Otter Tail's 40.5 MW ownership share in the Langdon Wind Energy Center and 48 MW ownership share in the Ashtabula Wind Energy Center. The Langdon facility became commercially operational in January 2008 and the Ashtabula facility is expected to become so by the end of 2008.

Also filed herewith is our Application for Trade Secret Protection relating to Attachments 4 and 5 to the Application.

Gloria Geiger
August 29, 2008
Page 2

We also enclose our check in the amount of \$50 for the filing fee.

Please refer all inquiries regarding this filing to:

Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
215 South Cascade Street
Fergus Falls, MN 56538-0496
(218) 998-7108
bgerhardson@ottertail.com

Sincerely,

/s/ BRUCE GERHARDSON
Bruce Gerhardson
Associate General Counsel

Enclosures

**STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF OTTER TAIL
POWER COMPANY'S ANNUAL
FILING FOR RENEWABLE RESOURCE
COST RECOVERY FACTOR**

Case No. PU-08-_____

**ANNUAL RENEWABLE RIDER FILING AND
APPLICATION FOR DETERMINATION
OF PRUDENCE UNDER N.D.C.C. § 49-05-16**

I. INTRODUCTION

Otter Tail Corporation d/b/a Otter Tail Power Company, a Minnesota public utility, ("Otter Tail") submits this Application to the North Dakota Public Services Commission ("Commission") as an annual filing of the company's Renewable Resource Cost Recovery Rider ("Renewable Resource Rider" or "Rider").

This is the first annual filing pursuant to the Renewable Resource Rider approved by Order dated May 21, 2008 in Case No. PU-06-466. The original filing addressed the establishment of the methodology for cost recovery of a 40.5 MW ownership share of the Langdon Wind Energy Center ("Langdon"). This annual filing seeks to update the Commission on costs and other information related to Langdon. Otter Tail is also requesting approval to recover costs associated with an additional renewable energy investment, a 48 MW ownership share in the Ashtabula Wind Energy Center as is described herein ("Ashtabula") located near Lake Ashtabula in Barnes County, North Dakota.

Otter Tail has previously requested (and subsequently received), pursuant to NDCC §49-05-16, that the Commission affirm that the Langdon Wind Energy Center is deemed prudent. Otter Tail requests that the Commission determine that its investment in the 48 MW ownership share in the Ashtabula Wind Energy Center also be deemed prudent pursuant to NDCC § 49-05-16. This application is being filed under NDCC §49-05-16 which provides that it is a rebuttable presumption that renewable energy facilities located in the State of North Dakota are prudent.

The Commission has issued to Otter Tail a Certificate of Public Convenience and Necessity to construct and own the 48 MW Ashtabula Wind Energy Center facility (certificate number 5347, received by Otter Tail on July 2, 2008).

II. GENERAL FILING INFORMATION

Pursuant to § 69-02-02-04, the following information is provided.

A. Name, address, and telephone number of utility making the filing

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8200

B. Name, address, and telephone number of utility attorney

Bruce Gerhardson
Associate General Counsel
Otter Tail Corporation
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 998-7108
bgerhardson@ottertail.com

C. Date of filing and proposed effective date of rates

The date of this filing is August 29, 2008. Otter Tail proposes the Renewable Resource Rider Adjustment Factor be reflected on customers' electric service bills effective January 1, 2009, or in the month following Commission approval if Commission action occurs after December 2008. Otter Tail is requesting the updated factor be approved and put into place on January 1, 2009, for continuity of the annual rider filing process.

NDCC § 49-05-16 requires the Commission to render its decision on an Application for Predetermination of Prudence within seven months after the Application is filed.

D. Title of utility employee responsible for filing

Bernadeen Brutlag
Manager, regulatory Services
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8289
bbrutlag@otpc.com

E. Articles of Incorporation.

Pursuant to North Dakota Rules Part 69-02-02-04, a certified copy of Otter Tail's Articles of Incorporation is on file with the Commission, as is an original certificate of good standing.

III. DESCRIPTION AND PURPOSE OF FILING

The North Dakota Legislature has established a state renewable and recycled energy objective that ten percent of all retail electricity sold within the state by the year 2015 be obtained from renewable energy and recycled energy sources. Cost recovery through this Rider and recovery of revenue requirements for the new investment is under the authority granted to the Commission under NDCC § 49-02, §49-05, and §49-06. The Renewable Resource Rider approved by Order dated May 21, 2008, and effective on June 1, 2008, created a recovery mechanism and included provisions for Otter Tail's annual filing requirements.

IV. ANNUAL UPDATE

A. Description of projects

Since Otter Tail made its initial Renewable Resource Rider filing on January 31, 2008, Otter Tail has undertaken a new project that qualifies for inclusion in the Rider and for a Predetermination of Prudence under NDCC § 49-05-16. This project is the construction of a wind energy center located in Barnes County, North Dakota, approximately 6 miles southwest of the village of Luverne, in the Lake Ashtabula area ("Ashtabula").

Description of the facilities

The Ashtabula project has a total of 138 General Electric wind turbines each having a nameplate capacity of 1.5 MW. Ashtabula is sized for 207 MW at peak output. For operational efficiency and diversification of risk, the project is jointly owned with FPL Energy (FPLE).

Otter Tail will own and develop just under 24 percent of the project, consisting of 32 wind turbines with an aggregate nameplate capacity of 48 MW, real property interest, tower foundations, operational equipment, and electric collection circuit lines. The revenue requirements for this portion of the project are included in this rider filing.

FPLE, through its affiliate Ashtabula Wind, LLC, owns and is developing a 99 MW portion (66 turbines) of the wind center. The generation of this portion of

Ashtabula has been sold to Minnkota Power Cooperative in Grand Forks, North Dakota, under a power purchase agreement.

Additionally, FPLE, through its affiliate Ashtabula Wind, LLC, owns and is developing a 60 MW portion (40 turbines) of the wind center, the generation of which is to be used for merchant sales of wind energy.

Implementation schedule for the facilities

Development, permitting, engineering, and procurement for Ashtabula began in the fourth quarter of 2007. Construction on Otter Tail's portion of Ashtabula began in the second quarter of 2008 and is expected to be completed prior to the end of 2008. The expected commercial operational date of Otter Tail's portion of Ashtabula is mid-December of 2008.

Otter Tail has requested long-term firm transmission delivery service for its portion of the Ashtabula's project output under a Midwest Independent Transmission System Operator ("MISO") Transmission Request ("TSR") (TSR #76633789). That request is currently in study mode on the MISO Open Access Same-time Information System ("OASIS"), and MISO is finalizing the System Impact Study related to the request. In the event the long-term request is not confirmed by the operational date, Otter Tail will request short-term firm service from MISO.

Estimated costs of the facilities

[TRADE SECRET INFORMATION BEGINS]

[TRADE SECRET INFORMATION ENDS]

Langdon Wind Energy Center

This annual filing also includes updated data for the Langdon Wind Energy Center. Because this wind project was only days into commercial operation at the time of Otter Tail's original Application for the Renewable Resource Rider, some of the cost information included in that filing was based on estimates. This annual filing includes actual data where available and updated estimates and projections where appropriate.

B. Description of cost recovery

Revenue requirement calculation for each project

The total annual revenue requirement is based on the sum of the revenue requirements for both projects. Please see attachments 4 and 5. Attachment 4 is the updated revenue requirements calculation for the Langdon Wind Energy Center and Attachment 5 is the revenue requirements calculation for the Ashtabula Wind Center. Generally, each of these revenue requirement calculations is set up as follows: There are 24 months shown – January 1, 2008, through December 31, 2009. Each 12-month period has two pages. The first page includes three sections: 1) a rate base computation section, using a 13-month average to calculate average rate base; 2) an expenses section listing the operating and maintenance, depreciation, and income tax expenses; and 3) a revenue requirements section, summarizing the total expenses and return on rate base calculations. The second page is the supporting information and data for page 1. On page 2 are the capital structure details, income tax, and depreciation calculations.

Renewable Resource Tracker Account

The tracker account information compares Otter Tail's costs and the amount recovered through North Dakota retail revenue, by month. Please see Attachment 3. This attachment begins by listing the total monthly revenue requirement for each of the two projects, then the amount billed to retail customers, followed by the difference between these two amounts. The billed amount is projected to the end of 2008 based on forecast sales multiplied by the 2008 Renewable Resource Adjustment factor. The difference is included in the amount for cost recovery in 2009.

North Dakota electric customers are allocated their share of costs using the methodology approved in the original filing: total eligible costs times the E2 energy factor from the most recent (2007) cost of service study and divided by North Dakota's forecasted kWh sales for the year during which cost recovery will occur (2009).

Revised Renewable Resource Factor calculation

See Attachment 2. As indicated in the original filing and above, Otter Tail is proposing that the revised factor be effective beginning January 1, 2009. The

factor is computed using the total revenue requirement from the tracker and forecasted 2009 sales. If Otter Tail's request is approved later than December 2008, Otter Tail does not intend to recalculate the requested monthly Renewable Resource factor even though the requested factor is based on the assumption that it would be in place for all of 2009. Any revenue shortfall during 2009 will be captured in the tracker account for recovery in 2010.

Attachment 1 is the projected revenue for 2009. It shows each month's forecasted sales and the resulting revenue using the new rate.

C. Other items

Flow-through reduction in production tax credit

Both the Langdon and Ashtabula projects qualify for the Federal Production Tax Credit (PTC). The PTC amount is based on kWh produced each year. This amount is significant and was presented in the original filing as being flowed through each year. The PTC is available for 10 years. The effect of the PTC flow-through is a reduction in revenue requirements for 10 years and then a significant increase in revenue requirements thereafter. To more evenly and appropriately spread the benefit of the PTC credit, Otter Tail proposes that the PTC be partially normalized to levelize the effects of the credit and smooth the resulting renewable factor over the life of each project. By normalizing an increasing percentage of the PTC each year, the resulting flow-through leads to leveling of the revenue requirements. Beginning with the 2009 factor, the revenue requirements calculations have none of the PTC deferred in the first year, 10 percent in the second year, 20 percent in the third year, and so on. The amount deferred is then normalized over the remaining life of the project – 24 years in year two, 23 years in year three, and so on.

Customer Notification

Otter Tail notified its customers with an explanation of the initial rate included in their electric service bills beginning in June 2008. Otter Tail will further describe the additional wind investment in the notice that will accompany the renewable resource factor increase in January 2009 (or later if Commission approval is later).

V. EFFECT OF CHANGE ON CUSTOMERS' BILLS

The proposed 2009 Cost Recovery Factor is \$.00510 per kilowatt-hour. The effect of the Renewable Resource Rider on a typical residential customer consuming 750 kilowatt-hours is \$3.82 per month.

VI. PROPOSED TARIFF SHEET

Included with this Application as Attachment 6a is a redline version of Otter Tail's Renewable Resource Rider showing the updated adjustment factor. Attachment 6b is a clean version of the Rider.

VII. OTTER TAIL'S INVESTMENT IN 48 MW OF ASHTABULA WIND ENERGY CENTER IS PRUDENT

NDCC § 49-05-16, subd. 6, provides that "There is a rebuttable presumption that [a]...renewable energy conversion facility...which is located in the state is prudent." According to Rule 301 of the North Dakota Rules of Evidence, such a "presumption substitutes for evidence of the existence of the fact presumed until the trier of fact finds from credible evidence that the fact presumed does not exist..." Applying the rebuttable presumption to Otter Tail's investment in the 48 MW Ashtabula Wind Energy Center is relatively straight forward. Because the facility is located in North Dakota, that fact substitutes for evidence of the fact that Otter Tail's investment in the facility is prudent. Unless someone were to come forward with competent evidence proving that the facility was not prudent, the fact of the investment's prudence should be deemed proved. Based upon this presumption, Otter Tail requests that the Commission make a determination that Otter Tail's investment in the 48 MW Ashtabula Wind Energy Center is prudent.

Notwithstanding the rebuttable presumption established by N.D.C.C. § 49-05-16, Subd. 6, Otter Tail provides the following information to the Commission, which further supports that adding Ashtabula is prudent.

In 2006, Otter Tail underwent an extensive request for proposal (RFP) process, during which proposals were sought for renewable investment options. That RFP process has been the base-line evaluative tool for renewable investment decisions, leading first to Otter Tail's investment in the Langdon Wind Energy Center described in the original filing and updated herein, and the investment in the Ashtabula Wind Energy Center as introduced in this filing. Information that Otter Tail has taken into account in evaluating projects and specifically the Ashtabula project included: cost of wind energy to Otter Tail customers, indication of site commitment, status of generation interconnection request, location of interconnection and impact of delivery to Otter Tail customer including potential project curtailment, project permitting status, anticipated commercial operation date to ensure utilization of the federal production tax credit, evidence of wind turbine supply, anticipated reliability of proposed equipment, evidence of wind resource, and developer's experience in developing wind farms.

In ranking by levelized cost to the customer, there were 31 proposals that, at face value, on the basis of cost alone, would have ranked higher than Ashtabula. Three of those proposals are associated with Langdon, which Otter Tail has implemented; three proposals are associated with another project, in which Otter Tail just recently agreed to invest and expects to do so later in 2008 and 2009; four proposals are associated with a

specific project that was delayed by the developer; four proposals are associated with a project that Otter Tail pursued, but for which could not come to satisfactory terms with the developer; four proposals had curtailment/delivery service obstacles which posed unacceptable risk of non-delivery; four proposals would not be able to commence operation before the end of 2008 and the expiration of the PTC; and the remaining nine proposals were removed from consideration due to PPA price increases associated with market changes and project cost estimates escalating (including turbine price escalations). The unit cost of the Ashtabula Project's 48 MW is expected to be [TRADE SECRET INFORMATION BEGINS] [TRADE SECRET INFORMATION ENDS].

VIII. CONCLUSION

Otter Tail respectfully requests the Commission approve the 2009 Cost Recovery Factor based on the 2008 tracker activity and addition of the 48 MW ownership share of the Ashtabula Wind Energy Center, and determine that its investment in the Ashtabula Wind Energy Center is prudent.

Dated: August 29, 2008

Respectfully Submitted,

Otter Tail Corporation d/b/a
OTTER TAIL POWER COMPANY

By: /s/ BERNADEEN BRUTLAG
Bernadeen Brutlag
Manager, Regulatory Services
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215 South Cascade Street
Fergus Falls, MN 56538-0496
218-739-8289

By: /s/ BRUCE GERHARDSON
Bruce Gerhardson
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215 South Cascade Street
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OTTER TAIL POWER COMPANY
RENEWABLE RESOURCE RIDER ANNUAL FILING ATTACHMENTS

Attachment 1	2009 Projection of Revenue
Attachment 2	Renewable Resource Cost Recovery Factor Calculation
Attachment 3	Renewable Resource Tracker Account Summary
Attachment 4	Langdon Revenue Requirements Calculation
Attachment 5	Ashtabula Revenue Requirements Calculation
Attachment 6a	Updated Renewable Resource Rider (redline)
Attachment 6b	Updated Renewable Resource Rider (clean)

Otter Tail Power Company
Renewable Resource Rider - North Dakota
2009 Projected Revenue

Month	kWh	Revenue
Jan-09	192,186	\$980,068
Feb-09	187,733	957,360
Mar-09	171,146	872,773
Apr-09	156,726	799,237
May-09	134,592	686,363
Jun-09	130,798	667,015
Jul-09	137,694	702,182
Aug-09	138,323	705,390
Sep-09	136,994	698,612
Oct-09	135,634	691,677
Nov-09	154,192	786,315
Dec-09	175,161	893,248
	<u>1,851,179</u>	<u>\$9,440,240</u>
Rate	\$0.00510	

Average monthly bill increase for a typical
customer using 750 kWh

\$3.82

Otter Tail Power Company
Renewable Resource Rider - North Dakota
Renewable Resource Cost Recovery Factor

All customers are subject to the same energy cost per kWh.

North Dakota Projected Annual Requirements for 2009	\$9,440,240
Forecasted ND MWH (1)	1,851,179
Total Energy Rate / kWh	\$0.00510
Residential bill impact / Month (2)	\$3.82

Notes

- (1) Consistent with 2008 Budget billed sales forecast. Excludes interdepartmental sales and reflects calendar month sales.
- (2) Assumes 750 kWh per month use for typical residential customer.

[illegible]

TRACKER SUMMARY		2009													
Line	Requirements Compared to Billed:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YE	
1	Revenue Requirements														
2	Langdon	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$242,891	\$2,914,696	
3	Ashtabula	383,992	383,992	383,992	383,992	383,992	383,992	383,992	383,992	383,992	383,992	383,992	383,992	4,607,902	
4	Total	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$626,883	\$7,522,598	
5	Billed (forecast kWh x adj factor)	\$980,068	\$957,360	\$872,773	\$799,237	\$686,363	\$667,015	\$702,182	\$705,390	\$698,612	\$691,677	\$786,315	\$883,248	\$9,440,240	
6	Difference	(\$353,185)	(\$330,477)	(\$245,890)	(\$172,354)	(\$59,480)	(\$40,132)	(\$75,299)	(\$78,506)	(\$71,729)	(\$64,794)	(\$159,432)	(\$266,365)	(\$1,917,642)	
7	Carrying Charge														
8	Cumulative Difference	\$1,465,394	\$1,134,918	\$889,028	\$716,674	\$657,194	\$617,062	\$541,763	\$463,257	\$391,528	\$326,734	\$167,302	\$0	\$0	\$0
9	Carrying Charge Calculation														
10	Prime Rate	\$6,106	\$4,729	\$3,704	\$2,986	\$2,738	\$2,571	\$2,257	\$1,930	\$1,631	\$1,361	\$697	\$0	\$0	\$99,062
11	Monthly Rate	5%													
12		0.416667%													
13															
14															
15															
16															
17															
18															
19															
20	Forecasted Sales (mWh)	192,186	187,733	171,146	156,726	134,592	130,798	137,694	138,323	136,994	135,634	154,192	175,161	1,851,179	
21															
22															
23															

SUMMARY

2009 projected revenue requirements
12/31/08 tracker balance
Carrying charge
Total revenue requirements
2009 projected sales in mWh
New Rate

\$7,522,598
1,818,580
99,062
\$9,440,240
1,851,179
\$0.00510

*New total revenue requirement as of 9/1/08 filing
**Assumes new rate will go into effect and begin to be billed 1/1/09

Otter Tail Power Company
ND Renewable Resource Rider
Landon Wind Energy Center

Line		2007	2008												YE Balance
		Actual Dec	Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Actual Jul	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	
1	RATE BASE	TRADE SECRET BEGINS													
2	Plant Balance														
3	Accumulated Depreciation														
4	Net Plant in Service														
5	Inventory														
6	Accum. Deferred Inc. Taxes Fed & State														
7	Accum. Deferred Inc. Tx Credit - PTC														
8	Accum. Deferred Inc. TX Credit - ND														
9	End of month rate base														
10															
11	Average rate base														
12															
13	Return on Rate Base														
14															
15	Available for return (equity portion of rate base)														
16															
17	EXPENSES														
18	<i>O&M and Depreciation</i>														
19	Operating Costs														
20	Ground Lease Payments														
21	Property Tax														
22	Book Depreciation														
23	Total O&M and Depreciation Expense														
24															
25	Income before Taxes														
26	Available for return (from above)														
27	Less book tax credits - ND														
28	Less book tax credits - PTC														
29	Adjusted Income before interest and taxes														
30	Taxable Income (grossed up)														
31															
32	Income Taxes														
33	Current and Def Income Taxes														
34	Federal PTC														
35	ND ITC														
36	Total Income Tax Expense														
37															
38															
39	REVENUE REQUIREMENTS														
40	Expenses														
41	Return on rate base														
42															
43	Total revenue requirements		772,229	813,182	915,212	587,850	718,750	637,043	810,483	666,840	718,065	658,065	658,065	654,475	8,610,061
44															
45	North Dakota share - E2 factor	38.83%	299,857	315,759	355,377	228,185	279,091	247,364	314,711	258,934	278,825	255,527	255,527	254,133	3,343,287

Otter Tail Power Company
ND Renewable Resource Rider
Landon Wind Energy Center

2007		2008
SUPPORTING INFORMATION / DATA		
Line	TRADE SECRET BEGINS	
1	ND Capstructure with allowed ROE per order.	
2	Capital Structure	
3	Debt	
4	Preferred equity	
5	Common equity	
6	Total	
7		
8		
9	Project life (years)	
10		
11	Statutory Tax Rate	
12	Tax conversion factor	
13		
14	ND investment credit	
15	Annual max available (3% X Plant)	
16	Carry forward from previous year	
17	Available based on tax liability	
18	Carry forward	
19	Tax credit used	
20	Book credit used - normalized over 25	
21		
22		
23	Tax credit used	
24	Book credit used - normalized over 25	
25	Deferred	
26		
27	Federal Production Tax Credit	
28	Federal PTC Rate	
29	Estimated output (MWh) / month	
30	Federal PTC Available based on production	
31	Federal PTC Used on tax return	
32	Flow through portion (80% in Year 2; 80% in Yr 3, etc.)	
33	Normalized portion (over 25, 24, etc. years)	
34	Total flow through and normalized	
35	Deferred	
36	Accumulated Deferred	
37		
38	Deferred Tax	
39	Book depr. rate	
40	Tax depr. rate (5-year MACRS) Yr 1	
41	Tax depr. rate (5-year MACRS) Yr 2	
42	Tax depr. rate (5-year MACRS) Yr 3	
43		
44	Book depreciation	
45	Tax depreciation	
46	Book vs. tax depreciation	
47	Federal & State deferred income taxes	
48		
TRADE SECRET ENDS		

[illegible]

Otter Tail Power Company
ND Renewable Resource Rider
Landon Wind Energy Center

2008		2009
SUPPORTING INFORMATION / DATA		
Line	TRADE SECRET BEGINS	
1	ND Capstructure with allowed ROE per order.	
2	Capital Structure	
3	Debt	
4	Preferred equity	
5	Common equity	
6	Total	
7		
8		
9	Project life (years)	
10		
11	Statutory Tax Rate	
12	Tax conversion factor	
13		
14	ND investment credit	
15	Annual max available (3% X Plant)	
16	Carry forward from previous year	
17	Available based on tax liability	
18	Carry forward	
19	Tax credit used	
20	Book credit used - normalized over 25	
21		
22		
23	Tax credit used	
24	Book credit used - normalized over 25	
25	Deferred	
26		
27	Federal Production Tax Credit	
28	Federal PTC Rate	
29	Estimated output (MWH) / month	
30	Federal PTC Available based on production	
31	Federal PTC Used on tax return	
32	Flow through portion (90% in Year 2; 80% in Yr 3	
33	Normalized portion (over 25, 24, etc. years)	
34	Total flow through and normalized	
35	Deferred	
36	Accumulated Deferred	
37		
38	Deferred Tax	
39	Book depr. rate	
40	Tax depr. rate (5-year MACRS) Yr 1	
41	Tax depr. rate (5-year MACRS) Yr 2	
42	Tax depr. rate (5-year MACRS) Yr 3	
43		
44	Book depreciation	
45	Tax depreciation	
46	Book vs. tax depreciation	
47	Federal & State deferred income taxes	
48		
TRADE SECRET ENDS		

[illegible]

Otter Tail Power Company
ND Renewable Resource Rider
Ashtabula Wind Energy Center

2007		2008
SUPPORTING INFORMATION / DATA		
TRADE SECRET BEGINS		
Line		
1	ND Capstructure with allowed ROE per order.	
2	Capital Structure	
3	Debt	
4	Preferred equity	
5	Common equity	
6	Total	
7		
8		
9	Project life (years)	
10		
11	Statutory Tax Rate	
12	Tax conversion factor	
13		
14	ND investment credit	
15	Total credit 5 years 15% (max avail)	
16	Annual max available (3% X Plant)	
17	Carry forward from previous year	
18	Available based on tax liability	
19	Carry forward to '09	
20	Tax credit used	
21	Book credit used - normalized over 25	
22		
23		
24	Tax credit used	
25	Book credit used - normalized over 25	
26	Deferred	
27		
28	Federal Production Tax Credit	
29	Federal PTC Rate	
30	Estimated output (MWh) / month	
31	Federal PTC Available based on production	
32	Federal PTC Used on tax return	
33	Flow through portion (90% in Year 2; 80% in Yr 3, etc.)	
34	Normalized portion (over 25, 24, etc. years)	
35	Total flow through and normalized	
36	Deferred	
37	Accumulated Deferred	
38		
39	Deferred Tax	
40	Book depr. rate	
41	Tax depr. rate (5-year MACRS) Yr 1	
42	Tax depr. rate (5-year MACRS) Yr 2	
43	Tax depr. rate (5-year MACRS) Yr 3	
44		
45	Book depreciation	
46	Tax depreciation	
47	Book vs. tax depreciation	
48	Federal deferred income taxes	
49		

Otter Tail Power Company
ND Renewable Resource Rider
Ashtabula Wind Energy Center

[illegible]

Otter Tail Power Company
ND Renewable Resource Rider
Ashtabula Wind Energy Center

	2008	2009
SUPPORTING INFORMATION / DATA		
Line 1	ND Capstructure with allowed ROE per order.	
2	Capital Structure	
3	Debt	
4	Preferred equity	
5	Common equity	
6	Total	
7		
8		
9	Project life (years)	
10		
11	Statutory Tax Rate	
12	Tax conversion factor	
13		
14	ND investment credit	
15	Total credit 5 years 15% (max avail)	
16	Annual max available (3% X Plant)	
17	Carry forward from previous year	
18	Available based on tax liability	
19	Carry forward to '09	
20	Tax credit used	
21	Book credit used - normalized over 25	
22		
23		
24	Tax credit used	
25	Book credit used - normalized over 25	
26	Deferred	
27		
28	Federal Production Tax Credit	
29	Federal PTC Rate	
30	Estimated output (MWh) / month	
31	Federal PTC Available based on production	
32	Federal PTC Used on tax return	
33	Flow through portion (90% in Year 2; 80% in Yr 3	
34	Normalized portion (over 25, 24, etc. years)	
35	Total flow through and normalized	
36	Deferred	
37	Accumulated Deferred	
38		
39	Deferred Tax	
40	Book depr. rate	
41	Tax depr. rate (5-year MACRS) Yr 1	
42	Tax depr. rate (5-year MACRS) Yr 2	
43	Tax depr. rate (5-year MACRS) Yr 3	
44		
45	Book depreciation	
46	Tax depreciation	
47	Book vs. tax depreciation	
48	Federal deferred income taxes	
49		
TRADE SECRET ENDS		

~~Otter Tail Corporation d/b/a~~
 OTTER TAIL POWER COMPANY
 Fergus Falls, Minnesota
 ELECTRIC RATE SCHEDULE

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~~Original~~ First Revision

RENEWABLE RESOURCE COST RECOVERY RIDER

APPLICATION OF RIDER: Applicable to electric service under all of the Company's Retail Rate Schedules.

COST RECOVERY FACTOR: There shall be included on each North Dakota's monthly bill a Renewable Resource Cost Recovery ("Renewable Resource Cost"), which shall be the Renewable Resource Cost Recovery Factor multiplied by the all of the customer's monthly billing kWh for electric service. This Renewable Resource Cost shall be calculated before any applicable municipal payment adjustments and sales taxes as provided in the General Rules and Regulations for the Company's electric service. The Renewable Resource Cost adjustment shall be in addition to all charges for service being taken under the Company's standard rate schedules.

Renewable Resource Cost Recovery Rate for 200~~8~~9 0.~~1935~~10 ¢ per kilowatt-hour

OTTER TAIL POWER COMPANY
Fergus Falls, Minnesota
ELECTRIC RATE SCHEDULE

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Renewable Resource Cost Recovery Rate for 2009 0.510 ¢ per kilowatt-hour

NORTH DAKOTA PUBLIC
SERVICE COMMISSION
Case No. PU-
Approved:

Effective for services rendered on and after
January 1, 2009
Bernadeen Brutlag
Manager, Regulatory Services